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**From:** Cook, Leila [cook.leila@epa.gov]  
**Sent:** 7/24/2017 10:22:24 PM  
**To:** Grundler, Christopher [grundler.christopher@epa.gov]  
**CC:** Hengst, Benjamin [Hengst.Benjamin@epa.gov]  
**Subject:** Re: VW, Daimler Workers Step Up Pressure to Come Clean on Collusion

Fascinating.

Sent from my iPhone

On Jul 24, 2017, at 6:19 PM, Grundler, Christopher <grundler.christopher@epa.gov> wrote:

This diesel story gets stranger and stranger

Sent from my iPhone

Begin forwarded message:

**From:** "Phillips, Anna" <Phillips.Anna@epa.gov>  
**Date:** July 24, 2017 at 4:24:13 PM EDT  
**To:** "MalenasLA2@state.gov" <MalenasLA2@state.gov>, "MagdanzEJ@state.gov" <MagdanzEJ@state.gov>, "Jordan, Katrin" <JordanK@state.gov>, Christopher McHone <mchonech@state.gov>, Hylko Oosterloo <oosterloohj@state.gov>  
**Cc:** "Blubaugh, Jim" <Blubaugh.Jim@epa.gov>, "Grundler, Christopher" <grundler.christopher@epa.gov>, "Bunker, Byron" <bunker.byron@epa.gov>  
**Subject:** VW, Daimler Workers Step Up Pressure to Come Clean on Collusion

**Bloomberg BNA**

**VW, Daimler Workers Step Up Pressure to Come Clean on Collusion**

*Posted July 24, 2017, 9:00 A.M. ET*

*By Elisabeth Behrmann*

Germany's carmakers are coming under pressure from their employees to come clean on allegations that they colluded on technology for decades, as investors continued to sell the stocks on concern the industry faces another major scandal following the diesel emissions crisis.

Prodded by labor leaders, Volkswagen AG Chairman Hans Dieter Poetsch is convening a special supervisory board meeting on July 26 "given the current situation," Michael Brendel, a spokesman at the Wolfsburg-based manufacturer, said in a July 24 email. Daimler AG's "workers are rightly horrified and angry" by antitrust allegations that emerged last week, and "there must obviously be consequences" if they're confirmed, Michael Brecht, head of that company's works council, said separately.

Shares of Volkswagen, Daimler and BMW AG have fallen at least 5 percent since Spiegel magazine reported July 21 that the carmakers had held talks since the 1990s on coordinating automotive technology, including development of combustion engines, emissions systems, brakes and transmissions. In conjunction with Germany's antitrust regulator, the European Union's competition overseer said July 22 that it's studying possible collusion among auto manufacturers.

Worker representatives are a powerful presence on major German companies' supervisory boards, holding half of the seats, and Volkswagen's meeting was prompted by a demand for an extraordinary session from labor representatives.

#### **Management 'Duty'**

"Management has the duty to thoroughly inform the supervisory board. That hasn't happened yet," the Volkswagen works council said in a statement. "We also expect the management board to give an explanation to the workforce. Trust in company leadership is dwindling more each day." Its counterpart at Munich-based BMW said separately that it "expects to be informed of the situation promptly."

Stuttgart-based Daimler doesn't plan to hold a special meeting, said Ute Wuest von Vellberg, a spokeswoman. The company is due to report its quarterly results June 26, and Volkswagen publishes figures a day later. Boards usually convene shortly before those numbers are released to give final approval to the reports.

"I advise the car industry to clear the air now, to say what has happened, and then we can look to the future together again," Volker Kauder, caucus leader of German Chancellor Angela Merkel's Christian Democrat-led bloc in parliament, said July 24 on ARD television. "If the antitrust violations were to prove true—and there's a lot to suggest that—then one must really say the clear sentence: the rule of law also applies to the car industry."

#### **Diesel Cheating**

The antitrust allegations emerged a little less than two years after Volkswagen's revelation that it rigged diesel engines to cheat on emissions tests, an admission that has prompted governments to scrutinize the entire industry's technology. BMW sought on July 23 to defuse concerns about possible collusion as well as allegations of manipulating diesel emissions by downplaying the talks with rivals as being focused on promoting exhaust-treatment technology in Europe.

"In the aftermath of the diesel scandal, illicit collusion would be a catastrophe for the credibility of the German auto industry," said Stefan Bratzel, director of the Center of Automotive Management in Bergisch Gladbach, Germany. A potential cartel could lead to billions of euros in fines and comes as the industry already faces threats from the shift to self-driving electric cars.

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